

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN MARK NOENNIG**, on January 25, 2001 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Mark Noennig, Chairman (R)
Rep. Jeff Mangan, Vice Chairman (D)
Rep. Joan Andersen (R)
Rep. Eileen Carney (D)
Rep. Larry Cyr (D)
Rep. John Esp (R)
Rep. Dennis Himmelberger (R)
Rep. Hal Jacobson (D)
Rep. Rick Laible (R)
Rep. Jesse Laslovich (D)
Rep. Bob Lawson (R)
Rep. Michelle Lee (D)
Rep. Brad Newman (D)
Rep. Ken Peterson (R)
Rep. William Price (R)
Rep. James Whitaker (R)
Rep. Cindy Younkin (R)
Rep. Story (R) Sub-committee
Rep. Branae (D) Sub-committee
Rep. Wanzenried (D) Sub-committee
Rep. Waitschies (R) Sub-committee

Members Excused: Rep. Rod Bitney, Vice Chairman (R)

Members Absent: None.

Staff Present: Eddy McClure, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 124, 1/22/2001
Executive Action: None

HEARING ON HB 124

Sponsor: Rep. Story, HD 24

Proponents: Harold Lange, Stillwater County Commissioner
Senator Grosfield, SD 13
John Lawton, Great Falls City Manager
Mary Ann Guggenheim, citizen
Alex Hanson, MT League of Cities and Towns
Eric Fjelstad, MT Assn. of Counties
Jani McCall, City of Billings
Kurt Alme, Director, Dept. of Revenue
Gene Harmon, Roosevelt County Commissioner
Vic Miller, Blaine County Commissioner
Linda Stoll, City of Missoula
Dale Bickell, CEO Missoula County
Jim Smith, Montana Library Association
Allan Underdal, Toole County Commissioner
Tim Mergenthaler, Helena City Manager
Mike Kadas, Mayor of Missoula
Mary Sexton, Teton County Commissioner
Carol Kienenberger, Phillips County Commissioner
Gale Patton, Sanders County Commissioner
Ruddy Holman, Butte-Silver Bow
Gordon Morris, MACO

Opponents: Dale Smiley, MT Motorcycle Safety
Michelle Hand, ABATE
Bob Jarvis, Browning School Board
Del Lonquist, Motorcycle Safety
Mark Staples, MT Tavern Assn.
Ed Blackman, Gallatin County Fiscal Officer
Jeff Krauss, Gallatin County Treasurer
Tom Bilodeau, MEA-MFT
Mona Jamison, Gallatin County
Dale Williams, Flathead County
Marty Lambert, Gallatin County Attorney
Judy Stang, Mineral County Commissioners
Rhonda Carpenter, MT Housing Providers
Glen Anderson, Supt. of Schools Office
Linda Brandon, School Dist. Officials
Christie Blazer, MASP, Chemical Dependency Counselors
Roger Curtis, Gallatin County
Bob Vogel, MT School Board
Dave Pfizer, Member MT School Board Assn.
Madalyn Quinlan, Office of Public Instruction

Informational Witnesses: Mary Pippin, Clerk of District Court
Rita Windom, Lincoln County Comm.
Bill Kennedy, Yellowstone County Comm.

Opening Statement by Sponsor: Rep. Bob Story, HD 24. HB 124 a.k.a the "Big Bill" is the result of an interim study committee. It will allow the legislature and state government to cooperate with local governments to go forward with developing common goals and meeting those goals. It allows us to share responsibility and gives everyone the opportunity to capture the economical potential of the State of Montana. The Department of Revenue and Rep. Story gave a Power Point presentation for the committee. This presentation included charts, graphs and explanations of the various components of HB 124. **EXHIBIT (loh20a01)**
EXHIBIT (loh20a02) EXHIBIT (loh20a03) {Tape : 1; Side : A; Approx. Time Counter : 0 - 25.3}

Proponents' Testimony: Howard Lange, Stillwater County Commissioner, I served as vice chair of the local government interim study committee. This bill promotes cooperation between state and local governments in Montana. **{Tape : 1; Side : A; Approx. Time Counter : 28.9 - 32.0} {Tape : 1; Side : B; Approx. Time Counter : 0 - 2.5}**

Senator Lorents Grosfield, SD 13. I served on the interim committee and I also introduced the legislation that created the committee. Do not let the size of this bill scare you, those thoughts make people want to get out and once that starts it has a domino effect. We need to work through this bill and make it compatible for state and local government. This bill is the result of a lot work and it requires a "trust me" attitude. The statutory appropriations, in this bill, should create a stable base for the local governments to use in developing their budgets. **{Tape : 1; Side : B; Approx. Time Counter : 2.5 - 7.3}**

John Lawton, Great Falls City Manager. I was a member of the local government funding interim committee. I have heard some concerns about trusting the legislature and why is this bill so large. These are not real issues. The legislature currently has the authority to change our sources of revenue. This bill puts all revenue in one basket which will make it easier to monitor. It is a big bill because it addresses several areas that need to be changed to make this bill work. **EXHIBIT (loh20a04) {Tape : 1; Side : B; Approx. Time Counter : 7.3 - 11.2}**

Mary Ann Guggenheim, citizen. I served on this committee and believe this is a good bill for everyone concerned. It eliminates these complicated schemes that happen when multiple transfers are made between state and local government. This bill puts all the funds in one pot and there are two transfers a year to keep track of. **{Tape : 1; Side : B; Approx. Time Counter : 11.2 - 14.4}**

Alec Hanson, MT League of Cities and Towns. Our association supports this bill. We feel it promotes cooperation and streamlines the funding mechanism for local government. **{Tape : 1; Side : B; Approx. Time Counter : 14.4 - 17.7}**

Eric Fjelstad, President of MACO. MACO supports this bill and welcomes the cooperation between the various levels of government. **{Tape : 1; Side : B; Approx. Time Counter : 17.7 - 19.2}**

Jani McCall, City of Billings. Billings supports HB 124. The city of Billings has an amendment to offer for the sub-committee to consider. **{Tape : 1; Side : B; Approx. Time Counter : 19.2 - 21.1}**

Kurt Alme, Dir. Dept of Revenue. The Governor's Office and the Dept of Revenue supports this legislation. **{Tape : 1; Side : B; Approx. Time Counter : 21.1 - 22.2}**

Gene Harmon, Roosevelt County Commissioner and vice-president of MACO. We support this bill. **{Tape : 1; Side : B; Approx. Time Counter : 22.2 - 23.8}**

Vic Miller, Blaine County Commissioner. I stand in favor of this legislation. **{Tape : 1; Side : B; Approx. Time Counter : 23.8 - 24.3}**

Linda Stoll, County of Missoula. The county is in support of this bill with an amendment on page 23. **{Tape : 1; Side : B; Approx. Time Counter : 24.3 - 29}**

Ms. Hill, Montana Taxpayers Assn. We support this legislation. We want to make sure the goal of the committee was de-earmarking funds and returning control to a local level. **{Tape : 1; Side : B; Approx. Time Counter : 29 - 30.5}**

Dale Bickell, CEO Missoula County. Testimony is in Exhibit 5. **EXHIBIT (loh20a05) {Tape : 2; Side : A; Approx. Time Counter : 0 - 0.9}**

Jim Smith, Montana Library Association. The association supports this bill. **{Tape : 2; Side : A; Approx. Time Counter : 0.9 - 1.4}**

Allen Underdal, Toole County Commissioner. We stand in support of this bill. *{Tape : 2; Side : A; Approx. Time Counter : 1.4 - 2.1}*

Tim Mergenthaler, Helena City Manager. We support having a sub-committee assigned to this bill and believe it will be beneficial to all parties. *{Tape : 2; Side : A; Approx. Time Counter : 2.1 - 2.5}*

Mike Kadas, Mayor of Missoula. Thanks the committee for hammering this bill out and supports the bill. *{Tape : 2; Side : A; Approx. Time Counter : 2.5 - 4.3}*

Mike Murray, Lewis and Clark County Commissioner. Supporter of the bill. *{Tape : 2; Side : A; Approx. Time Counter : 4.3 - 4.6}*

Mary Sexton, Teton County Commissioner. Our county supports HB 124. *{Tape : 2; Side : A; Approx. Time Counter : 4.6 - 5.2}*

Carol Kienenberger, Phillips County Commissioner. I am not quite certain where I stand, but feel this bill will address some of the problems. *{Tape : 2; Side : A; Approx. Time Counter : 5.2 - 8.2}*

Gale Patton, Sanders County Commissioner. Sanders County is in support of this bill. *{Tape : 2; Side : A; Approx. Time Counter : 8.2 - 9.1}*

Gordon Morris, MACO. MACO was active in the drafting of this bill and feel it benefits our members. *{Tape : 2; Side : A; Approx. Time Counter : 9.1 - 10}*

Ruddy Holman, Economic Development Officer Butte-Silver Bow. Supports the bill. *{Tape : 2; Side : A; Approx. Time Counter : 10 - 10.2}*

Opponents' Testimony: Dal Smiley, Montana Motorcycle Safety. We oppose the section involving motorcycle fees. We do not want these funds unearmarked. *{Tape : 2; Side : A; Approx. Time Counter : 10.2 - 13.5}*

Michelle Hand, ABATE. We oppose this bill for the same reason that Dal Smiley stated. *{Tape : 2; Side : A; Approx. Time Counter : 13.5 - 17.5}*

Bob Jarvis, Browning School Board Member. I am representing myself not the school district. This bill will reduce the funds coming to the schools and counties for non-taxable federal lands, therefore

I oppose this bill. {Tape : 2; Side : A; Approx. Time Counter : 17.5 - 18.6}

Dale Lonquist, motorcycle safety instructor, handed in his testimony opposing this bill. **EXHIBIT**(loh20a06){Tape : 2; Side : A; Approx. Time Counter : 18.6 - 20.2}

Mark Staples, MT Tavern Assn. I am here to express concern with Part 6 of HB 124. We are asked to trust the legislature with the bill. It is not that we do not trust them, but the members of legislature and local government change each session and these new members are not bound by the promises of previous legislators. Six years from now, nobody that is here today will be here then, therefore in six years no one will have the slightest clue what this bill is about and what commitments were made. {Tape : 2; Side : A; Approx. Time Counter : 20.2 - 26}

Ed Blackman, Gallatin County Fiscal Officer. Gallatin County Commissioners oppose this bill. {Tape : 2; Side : A; Approx. Time Counter : 26 - 27}

Jeff Krauss, Gallatin County Assessor and Treasurer. I am not here representing Gallatin County or the Assessor's Office. I personally oppose this bill. {Tape : 2; Side : A; Approx. Time Counter : 27 - 28.6} {Tape : 2; Side : B; Approx. Time Counter : 0 - 3.4}

Tom Bilodeau, MEA-MFT. We stand in direct opposition to this bill. The single most important issue for counties is funding for schools. This bill does not adequately address this issue. {Tape : 2; Side : B; Approx. Time Counter : 3.4 - 7.8}

Mona Jamison, Gallatin County. Gallatin County opposes this bill. I want to explain the trust issue. At the end of this session, the legislature begins to make cuts to balance the budget. The funds that go into the general fund have to be appropriated by the legislature before they go to the Dept. of Revenue for distribution. Will these funds be used to balance the budget? Who knows. This makes the chance of the counties getting a fair deal doubtful. This bill also calls for approximately equal disbursements. What is approximately equal? {Tape : 2; Side : B; Approx. Time Counter : 7.8 - 11.6}

Dale Williams, Flathead County Commissioners. We oppose this bill, because we do not understand the details and have doubts that the county distributions will be fair. We feel the larger counties will subsidize the smaller counties. Why should aggressive,

growing counties be penalized? They should not. **{Tape : 2; Side : B; Approx. Time Counter : 11.6 - 18.1}**

Marty Lambert, Gallatin County Attorney. Thanks the committee for their efforts. This bill is not good for our county and we cannot agree with HB 124. **{Tape : 2; Side : B; Approx. Time Counter : 18.1 - 20.3}**

Judy Stang, Mineral County Commissioner. We opposed this bill. This will decrease the funding used for our senior citizen programs. **{Tape : 2; Side : B; Approx. Time Counter : 20.3 - 21.5}**

The opponents were out of time and just stated their name and association for the record.

Ronda Carpenter, MT Housing Providers and MT Coin Owners and Operators. We stand in opposition of this bill. **{Tape : 2; Side : B; Approx. Time Counter : 21.5 - 22.8}**

Glenda Anderson, County Supt. Of Schools. Opposed HB 124. **EXHIBIT** (loh20a07) **{Tape : 2; Side : B; Approx. Time Counter : 22.8 - 23.5}**

Linda Brandon, MT School Dist Officials. Opposes HB 124. **{Tape : 2; Side : B; Approx. Time Counter : 23.5 - 24.8}**

Christie Blazer, MT Assn of Chemical Dependency Counselors. Opposes HB 124. **{Tape : 2; Side : B; Approx. Time Counter : 24.8 - 25.8}**

Roger Curtis, Gallatin County. Opposes HB 124. **{Tape : 2; Side : B; Approx. Time Counter : 25.8 - 26.2}**

Bob Vogel, MT School Board Assn. This association stands in opposition to HB 124 in its current form. **{Tape : 2; Side : B; Approx. Time Counter : 26.2 - 26.4}**

Dave Pfizer, Member MT School Board Assn. Opposed HB 124. **{Tape : 2; Side : B; Approx. Time Counter : 26.4 - 26.7}**

Informational Testimony:

Madalyn Quinlan, Office of Public Instruction. Will answer any questions. **{Tape : 2; Side : B; Approx. Time Counter : 26.7 - 27.2}**

Bill Kennedy, Yellowstone County Commissioner. I am here to answer any questions for the committee. **{Tape : 2; Side : B; Approx. Time Counter : 27.2 - 28.8}**

Mary Pippin, MT Assn. of Clerk of Courts. EXHIBIT (loh20a08) {Tape : 2; Side : B; Approx. Time Counter : 28.8 - 30}

Questions from Committee Members and Responses: Rep. Story explains the growth factor to Rep. Laible.

Rep. Laslovich, in Deer Lodge county we are struggling with insurance, how will this bill help? **Rep. Story,** I am not certain how this bill will help, except that the counties will know when and how much money they are going to have to work with.

Rep. Peterson, the interim committee spent several hours to make this bill workable, you indicated you did not agree with them, tell us what your solution is? **Mr. Krauss,** I am not sure what the solution is, but I am sure that having the state collect and distribute all funds will not work.

Rep. Esp, you alluded to the problems with school district funding, would you explain? **Linda Brandon,** It is the federal portion we are worried about and how this will affect the distribution of the funding. **{Tape : 3; Side : A; Approx. Time Counter : 0 - 9.4}**

Closing by Sponsor: Rep. Story closed with a short summary of the bill and invited the witnesses to participate in the meeting with the sub-committee. **{Tape : 3; Side : A; Approx. Time Counter : 9.4 - 20}**

This bill was assigned to a sub-committee to make any necessary and recommended changes.

ADJOURNMENT

Adjournment: 6:00 P.M.

REP. MARK NOENNIG, Chairman

PATI O'REILLY, Secretary

MN/PO

EXHIBIT (loh20aad)